

Message Text

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TO SECSTATE WASHDC IMMEDIATE 9883

C O N F I D E N T I A L LIMA 03774

FOR ARA - MR. WILLIAM ROGERS; L - MR. LEIGH ; L/ARA - MR. KOZAK;
TREASURY - MR. BUSHNELL; EB - MR. GREENWALD; S/P - MR. LORD

EO 11652: GDS

TAGS: EIND, EINV, EMIN, PFOR, PE

SUBJECT: MARCONA - REVISED TEXT OF JOINT COMMUNIQUE:

REF: LIMA 3773

FOLLOWING IS THE REVISED TEXT OF THE COMMUNIQUE:

JOINT COMMUNIQUE

THE GOVERNMENTS OF PERU AND THE UNITED STATES OF AMERICA,
WITH THE PURPOSE OF ARRIVING AT A FINAL AGREEMENT ON THE JUST PRICE
FOR THE EXPROPRIATED ASSETS OF THE MARCONA MINING COMPANY, WHOSE
MINING AND METALLURGIC COMPLEX IN PERU WAS NATIONALIZED PURSUANT TO
THE PROVISIONS OF DECREE LAW 21228, HAVE HELD IN THE COURSE OF THE
PAST FEW MONTHS CONVERSATIONS INTENDED TO RESOLVE THE DIFFERENCES
WHICH AROSE FROM THE APPRAISAL OF THE ASSETS OWNED BY THE AMERICAN
ENTERPRISE MARCONA MINING COMPANY SUBJECT TO EXPROPRIATION BY THE
GOVERNMENT OF PERU, AND TO ASSURE THAT RELATIONS BETWEEN BOTH COUNTRI-
ES
WOULD NOT BE AFFECTED BY A MATTER WHICH SHOULD BE TREATED IN CON-
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FORMITY WITH THE LAWS OF THE EXPROPRIATING COUNTRY AND PRINCIPLES OF

INTERNATIONAL LAW, WHICH REQUIRE JUST COMPENSATION FOR EXPROPRIATED ASSETS.

TO SUCH END, THE GOVERNMENT OF PERU, IN ACCORDANCE WITH ITS LAWS, HAS TAKEN THE NECESSARY MEASURES THAT MADE IT POSSIBLE TO DETERMINE THE NET VALUE OF THE EXPROPRIATED ASSETS, RESULTING IN THE AMOUNT OF U.S. \$33,000,000,00 WHICH HAS BEEN PAID TO THE EXPROPRIATED ENTERPRISE.

BOTH GOVERNMENTS HAVE AGREED THAT EFFORTS SHOULD BE MADE TO FACILITATE THE PLACEMENT OF PERUVIAN IRON OXIDE PELLETS IN THE UNITED STATES MARKET AND TO TRANSPORT PERUVIAN IRON ORE PRODUCTS UNDER COMPETITIVE CONDITIONS TO TRADITIONAL CONSUMERS. IN IMPLEMENTATION OF THIS UNDERSTANDING, MARCONA, INC. AND THE RESPONSIBLE STATE ENTITIES HAVE ENTERED INTO MUTUALLY BENEFICIAL CONTRACTS FOR THE PURCHASE OF PERUVIAN IRON OXIDE PELLETS SO AS TO FACILITATE THEIR PLACEMENT IN THE UNITED STATES MARKET, AND FOR PROVIDING NECESSARY TRANSPORTATION FOR PERUVIAN ORE.

THE GOVERNMENT OF THE UNITED STATES OBSERVES THAT THE SETTLEMENT WHICH THIS JOINT COMMUNIQUE REFLECTS, INCLUDING ALL OF THE ELEMENTS DESCRIBED HEREIN, WILL WHEN FULLY IMPLEMENTED SATISFY UNITED STATES AND INTERNATIONAL LEGAL REQUIREMENTS RELATING TO NATIONALIZATION.

FINALLY, BOTH GOVERNMENT EXPRESS THEIR SATISFACTION CONCERNING THE MANNER IN WHICH THESE NEGOTIATIONS HAVE DEVELOPED, REFLECTING THE PURPOSE OF MAINTAINING A CORDIAL AND COOPERATIVE RELATIONSHIP WITHIN THE FRAMEWORK OF MUTUAL RESPECT AND RECIPROCAL INTEREST.

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